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September 28, 2018

Federal Election Commission
Office of Complaints Examination
and Legal Administration
attn: Christal Dennis, Paralegal
1050 First Street, NE
Washington, DC 20002

Re: MUR 7451

Dear Ms. Dennis,

This response is submitted by the undersigned counsel on behalf of New Republican PAC in connection with MUR 7451. New Republican PAC is registered with the Commission as an independent expenditure-only committee. The Complaint alleges that Ring Power Corporation is a "federal contractor" under the Act and made an impermissible contribution to New Republican PAC on April 23, 2018.

The Complaint's "prayer for relief" asserts that the Commission "should find reason to believe that New Republican PAC violated 52 U.S.C. § 30101 *et seq.*," which is simply a general reference to the Act, "and conduct an immediate investigation under 52 U.S.C. § 30109(a)(2)." The Complainant may have mistakenly inserted "New Republican PAC" in Paragraph 16. There is no allegation elsewhere in the Complaint that New Republican PAC violated any provision of the Act generally, or the federal contractor prohibition specifically, and the Complaint is styled "Campaign Legal Center v. Ring Power Corporation."

New Republican PAC Policy and Actions

New Republican PAC did not knowingly solicit or knowingly accept a contribution from any federal contractor. After conferring with representatives of Ring Power Corporation, New Republican PAC refunded the contribution at issue on August 16, 2018. There is no evidence presented in the Complaint suggesting that New Republican PAC violated any provision of the Act or Commission regulations.

The Complaint does not contend, and there is no evidence to suggest, that New Republican PAC "knowingly solicited" any contribution from a federal contractor. At the time the contribution was made, New Republican PAC had no information that suggested that Ring

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Power Corporation was a federal contractor. (Ring Power Corporation is a Florida-based construction equipment dealer, not well-known government contractor like Northrop Grumman.)

The Commission has taken the position that the federal contractor prohibition remains in place with respect to contributions made to independent expenditure-only committees. It is the policy of New Republican PAC to comply with all applicable contribution prohibitions and New Republican PAC does not knowingly solicit contributions from federal government contractors. See Affidavit of Blaise Hazelwood at ¶ 2. New Republican PAC's website donation page, as well as its solicitation and donor reply forms, clearly state that contributions from federal contractors are prohibited. See *id.* at ¶ 3.

Specifically, New Republican PAC's website donation page, at https://secure.anedot.com/new-republican/new_rep_website, includes the following language: "Contributions from foreign nationals, foreign corporations, and federal contractors are prohibited." The same language is included on written solicitation materials. The contribution at issue in this matter was accompanied by a form containing the language set forth above.

The Act's Federal Contractor Prohibition

The federal contractor prohibition, at 52 U.S.C. § 30119(a), makes it unlawful for a federal contractor "directly or indirectly to make any contribution of money or other things of value ... to any political party, committee, or candidate for public office" 52 U.S.C. § 30119(a)(1). In addition, the provision makes it "unlawful for any person ... knowingly to solicit any such contribution from any such person for any such purpose during any such period." 52 U.S.C. § 30119(a)(2); see also 11 C.F.R. § 115.2(c) ("It shall be unlawful for any person knowingly to solicit any such contribution from a Federal contractor.").

Unlike the Act's other source prohibitions, the federal contractor prohibition does *not* prohibit the receipt or acceptance of any contribution. For example, with respect to corporate and labor organization contributions, it is impermissible "for any candidate, political committee, or other person *knowingly to accept or receive* any contribution prohibited by this section." 52 U.S.C. § 30118(a); see also 11 C.F.R. § 114.2(d). Similarly, it is "unlawful for ... a person to *solicit, accept, or receive* a contribution or donation" from a foreign national. 52 U.S.C. § 30121(a)(2); see also 11 C.F.R. § 110.20(g). By contrast, the federal contractor provision does not prohibit accepting or receiving contributions from federal contractors; the prohibition applies only to the knowing solicitation of a contribution from a federal contractor.

Past Consideration of Federal Contractor Complaints

In a recently considered similar matter, the Commission took no action against a political committee that was alleged to have received a contribution from a federal contractor. See MUR 7099 (Suffolk Construction Company). Consistent with that matter, the Commission should find no reason to believe that New Republican PAC violated the Act and close the file.

In MUR 7099, the Complaint alleged that Suffolk Construction Company, Inc. was a federal contractor that had made two contributions to Priorities USA Action, an independent expenditure-only committee. The Commission determined "that Suffolk was a federal contractor at the time of its contributions," found reason to believe that Suffolk violated the Act, and authorized pre-probable cause conciliation with Suffolk. At the reason to believe stage, the General Counsel recommended, and the Commission agreed, to "take no action at this time as to the Committee." MUR 7099, First General Counsel's Report at 2.

The Office of General Counsel engaged in pre-probable cause conciliation with Suffolk, reached a settlement agreement, and then recommended the Commission accept the agreement and close the file. Simultaneously, the General Counsel informed the Commission: "Because the available record does not indicate that the Committee knowingly solicited the federal contractor contributions at issue, we now recommend that the Commission find no reason to believe that Priorities USA Action and Greg Speed in his official capacity as treasurer violated 52 U.S.C. § 30119(a)(2), and close the file." MUR 7099, General Counsel's Pre-Probable Conciliation and Case Closing Memorandum at 2.

For the same reasons, the Commission should find no reason to believe that New Republican PAC violated Section 30119(a)(2). The present circumstances demonstrate an *even clearer* case of the committee as an "unknowing recipient." In MUR 7099, the respondent committee acknowledged knowing at the time of the contribution "that Suffolk vacillated in and out of federal contractor status with some frequency." MUR 7099, Response of Priorities USA Action at 3 (Sept. 1, 2016). This uncertainty notwithstanding, the Commission found that there was no reason to believe that Priorities USA Action knowingly solicited the contribution at issue. As noted above, at the time the contribution was made, New Republican PAC had no information indicating that Ring Power Corporation was, or ever had been, a federal contractor.

As set forth above, and consistent with MUR 7099, the Commission should dismiss the Complaint as to New Republican PAC. The Complaint does not allege a violation by New Republican PAC and there is no evidence to suggest that New Republican PAC knowingly solicited a contribution from a federal contractor.

Sincerely,



Michael Bayes

Counsel to New Republican PAC

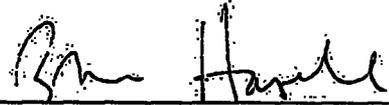
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AFFIDAVIT OF BLAISE HAZELWOOD

PERSONALLY came and appeared before me, the undersigned Notary, the within named BLAISE HAZELWOOD, and makes this her Statement and General Affidavit upon oath and affirmation of belief and personal knowledge that the following matters, facts and things set forth are true and correct to the best of her knowledge:

1. I am Blaise Hazelwood. I currently serve as the Executive Director of New Republican PAC, and have served in that capacity since February 1, 2018.
2. It is the policy of New Republican PAC to comply with all applicable contribution prohibitions. New Republican PAC does not knowingly solicit contributions from federal government contractors.
3. New Republican PAC's website donation page and its written solicitations and donor reply forms include disclaimer language indicating that contributions from federal contractors are prohibited.

DATED this the 15th day of October, 2018



Signature of Affiant, Blaise Hazelwood

SWORN to subscribed before me, this 15th day October, 2018



NOTARY PUBLIC

My Commission Expires:

10/31/2021

